



Virginia Department of Planning and Budget **Economic Impact Analysis**

1 VAC 30-150 Regulations for Public Use of Robert E. Lee Monument, Richmond, Va
Department of General Services
Town Hall Action/Stage: 5935/9586
May 25, 2022

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). The analysis presented below represents DPB's best estimate of these economic impacts.¹

Summary of the Proposed Amendments to Regulation

This regulation pertains to the Robert E. Lee monument including Lee Circle, the roughly 25,000 square feet of land that contained the monument at the intersection of Monument Avenue and Allen Avenue in Richmond (1700 Monument Avenue). The Department of General Services (DGS) proposes to repeal this regulation in its entirety since this property is no longer owned by the Commonwealth of Virginia.

Background

DGS promulgated this regulation in 2017 at the direction of then Governor McAuliffe in order to govern the use of the property,² including the use of permits.³ The Robert E. Lee statue was removed in September 2021. In December 2021, Governor Northam announced that the

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

² See McAuliffe's Executive Order 67 as archived in the Library of Virginia's digital collections: <http://digitool1.lva.lib.va.us:8881/R/SKE66JHT65J27T6Y5GVT43X6V9QHDBDPB96RRCYJ1SF55U5SB5-02157?func=results-full>.

³ DGS reports that no permits have been issued under this regulation since it went into effect. DPB-DGS meeting, May 20, 2022.

parcel of land that comprised Lee Circle would be conveyed to the City of Richmond once the pedestal was removed.⁴ The pedestal was removed later that month.

Subsequently, Richmond City Council adopted an ordinance in December 2021 that “authorized the acquisition by gift of the property known as the Lee Circle” and another ordinance in January 2022 that authorized the city’s Chief Administrative Officer to accept a donation of personal property including the Robert E. Lee statue, pedestal blocks, and associated artifacts formerly located at the Lee Circle from the Commonwealth of Virginia.⁵

Consequently, DGS proposes to repeal this regulation since the property that it governs no longer belongs to the Commonwealth, which removes any basis for the regulation.

Estimated Benefits and Costs

The proposed repeal of this regulation would benefit readers of the Virginia Administrative Code by removing a redundant chapter and keeping it up-to-date. The proposed repeal would not create any new costs for any entities since the regulation is redundant.

Businesses and Other Entities Affected

The proposed repeal of the regulation would not affect any businesses or other entities because it became redundant once the property was transferred from the Commonwealth of Virginia to the City of Richmond.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁶ An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. As noted above, repealing this regulation would not increase net costs and serves only to keep the Administrative Code current. Thus, an adverse impact is not indicated.

⁴ An archived copy of the press release, dated December 5, 2021, can be found at <https://www.governor.virginia.gov/newsroom/all-releases/2021/december/headline-914623-en.html>.

⁵ See ORD. 2021-351 regarding the transfer of the plot of land: <https://richmondva.legistar.com/LegislationDetail.aspx?ID=5360791&GUID=507EA78B-D3A9-445D-8785-5AC773B95F5F> ; and ORD. 2022-001 regarding the monument, pedestal and other property: <https://richmondva.legistar.com/LegislationDetail.aspx?ID=5373262&GUID=F1CA40D4-71E2-4B8F-A59F-AA6CB328DB10>

⁶ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance. Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation.

Small Businesses⁷ Affected:⁸

The proposed repeal of this regulation does not appear to adversely affect small businesses.

Localities⁹ Affected¹⁰

The proposed repeal of this regulation would not affect any localities. Even though the City of Richmond is affected by the transfer of the monument and underlying property, this regulation became redundant once the transfer was formalized. Thus repealing the regulation would have no effect on the city.

Projected Impact on Employment

The proposed amendments do not appear to affect total employment.

Effects on the Use and Value of Private Property

Although the removal of the monument and the subsequent transfer of property to the city may impact the use and value of private property in the vicinity of Lee Circle, repeal of the regulation itself will not have any effect because the monument has already been removed and the property transferred to the City of Richmond. Thus repealing this regulation would not affect the use and value of private property, nor would it affect real estate development costs.

⁷ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁸ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁹ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

¹⁰ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.